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Feed Year in Review (International): Record U.S. Corn Exports Due To Strong International Demand

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Abstract

U.S. corn exports for the October-September 2007/08 trade year are forecast at a record 63.0 million tons, up 16 percent from the previous year and 2 percent above the 1979/80 high. Record world corn trade is projected for 2007/08, as import demand remains strong despite high prices. Competition from Argentina is forecast down due to a reduced corn crop and government intervention limiting export registrations. Brazil has emerged as a large corn exporter, but mostly to markets that do not purchase from the United States. Corn exports from Ukraine, South Africa, and China are expected to be relatively low.

World coarse grains are expected to reach records in 2007/08 for prices, production, use, and trade. World coarse grain production in 2007/08 is expected to increase 8 percent to a record 1.06 billion tons, reflecting increased area and higher U.S. yields. Foreign coarse grain production is forecast up only 1 percent, as declines for the Former Soviet Union (FSU), EU-27, other Europe, North Africa, and the Middle East were more than offset by increases for Sub-Saharan Africa, South Asia, Southeast Asia, Oceania, and South America. China coarse grain production is up slightly, setting another record. Global coarse grain beginning stocks for 2007/08 were estimated down 28 million tons compared with the previous year, following growth in use in 2006/07.

Keywords: Coarse grains, corn, production, stocks, imports and exports.

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Feed Year in Review (Domestic) may be accessed electronically via the ERS website at www.ers.usda.gov.

World Coarse Grain Outlook

Records in 2007/08 for Global Coarse Grain Prices, Production, Use, and Trade

World coarse grain production in 2007/08 is expected to increase 8 percent to a record 1.06 billion tons, reflecting increased area and higher U.S. yields. Foreign coarse grain production is forecast up only 1 percent, as declines for the Former Soviet Union (FSU), EU-27, other Europe, North Africa, and the Middle East were more than offset by increases for Sub-Saharan Africa, South Asia, Southeast Asia, Oceania, and South America. China coarse grain production is up slightly, setting another record. Global coarse grain beginning stocks for 2007/08 were estimated down 28 million tons, following growth in use in 2006/07. Reduced beginning stocks partly offset the 78-million-ton increase in projected production, leaving 2007/08 global coarse grain supplies up 4 percent year-to-year. World coarse grain consumption is expected to increase 6 percent in 2007/08, as strong demand for feed is coupled with increasing use of coarse grains for biofuels. This is the fifth straight year of relatively strong growth in demand. Increasing global consumption is expected to reduce world ending stocks 7 percent to 128 million tons, the lowest in 30 years. Strong demand is projected to boost world trade to a record 123 million tons, supporting U.S. corn exports at a record 63 million tons. (The U.S. production, stocks, demand, and price outlook is detailed in Feed Year in Review (Domestic).

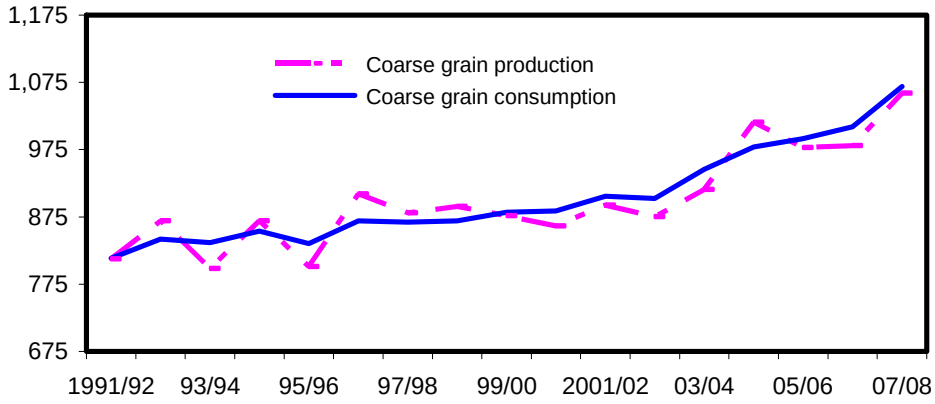
Foreign Coarse Grain Production Up Slightly in 2007/08

Foreign (world less the United States) coarse grain production in 2007/08, forecast at 708 million tons, is up 1 percent from a year earlier. Area increased in response to attractive prices, but average yield declined slightly due to poor weather in several key regions.

Figure 1

World feed grain production and consumption

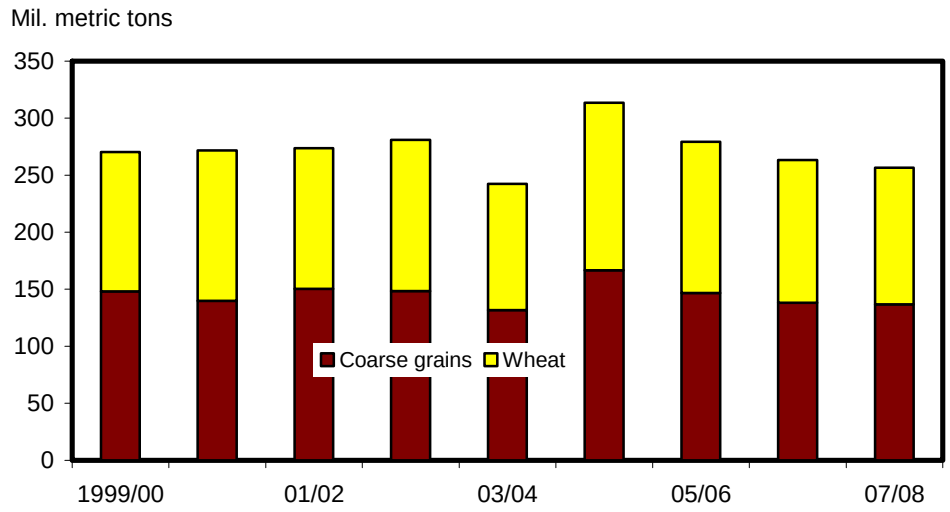
Mil. metric tons



Sources: USDA, Foreign Agricultural Service, *Production, Supply and Distribution (PS&D)* and *Grain: World Markets and Trade (Grain Circular).*
World Markets and Trade (Grain Circular).

Figure 2

Wheat and coarse grain production in the EU-27



Source: USDA, *Grain: World Markets and Trade (Grain Circular).*

Corn: Foreign corn production is expected to increase slightly, to a record 440 million tons. Foreign corn area is projected up 3 percent, as corn prices were attractive enough relative to other crops in most countries to maintain or increase area. However, in the EU-27 strong prices for wheat and oilseeds, limited corn plantings, and severe drought led to the abandonment of some planting area, especially in Romania. EU-27 harvested corn area dropped 12 percent, and average yield declined 3 percent. EU-27 corn production dropped to its lowest level since 1995/96. Corn production in Other Europe also dropped, mainly as a result of a drought in Serbia.

Argentina, the world's second-largest corn exporter, is projected to have reduced corn production in 2007/08. Attractive prices encouraged area expansion, but a late freeze in some areas and dryness during critical growth stages contributed to a drop in yields. Production is forecast down 4 percent to 21.5 million tons.

Increased corn production prospects in most other regions are offsetting the declines in Europe and Argentina. Brazil increased planted area, and good weather supported record first-crop yields and prospects for record second-crop yields, allowing Brazil to emerge as a large corn exporter despite strong internal demand. Strong corn prices increased corn area in South Africa, and rains there have been favorable in 2007/08, in dramatic contrast to drought a year ago. Corn production is projected up over 50 percent to 11.0 million tons. With increased area encouraged by high prices and year-to-year gains in yields, corn production is also forecast at a record for India, Indonesia, and the Philippines. However, in China and Russia, dry weather reduced yield prospects, offsetting increased area. China corn production stagnated at a forecast 145 million tons. The corn production increase projected for Russia is relatively small. In Ukraine, higher area and a small increase in yields, despite growing-season heat and dryness, boosted corn production 16 percent.

Barley: Foreign barley production is estimated down 3 percent to 129 million tons, with area and average yields down fractionally. Barley production in Ukraine is estimated down 47 percent to 6 million tons, as less winter-kill for wheat reduced area available for spring barley plantings. Drought reduced yields, especially in eastern areas. The drought stretched into the Southern District of Russia, also reducing barley production prospects. Russia's barley production is forecast down 14 percent to 15.6 million tons. Drought devastated barley production in Morocco, down 70 percent to 0.8 million tons, and trimmed production in Turkey, forecast down 1 million tons to 6.5 million. However, EU-27 barley production increased 3 percent to 58 million tons. Spain had good rains, boosting barley production to more than offset the effects of excessive rain across parts of northern Europe and drought in southeastern Europe. In Canada and Australia, barley production increased due to increased plantings encouraged by high prices, but yields were affected by adverse weather, limiting production gains.

Sorghum: Projected foreign sorghum production is up 3 percent to 52 million tons, mostly due to record production in Australia. High grain prices and tight irrigation supplies caused some cotton land in Australia to be planted to sorghum. Ample rains associated with the La Nina in Pacific Ocean temperatures support a forecast of near-record yields and a near doubling of the crop to 2.7 million tons. In China, record yields more than offset a slight decline in sorghum area, boosting production 0.5 million tons to 2.6 million. In Mexico, with attractive prices, a sharp increase in area more than offset a small reduction in average yield, boosting production 0.5 million tons to 6.3 million tons. Rains in Sub-Saharan Africa were generally good, but not as good as the previous year, and sorghum production prospects are down 1.3 million tons to 23.9 million tons, with Sudan and Nigeria accounting for much of the decline.

Oats: Foreign oat production increased 12 percent to 24 million tons, mostly due to increased yields in the EU-27 and area expansion in Canada. Good yields for oats in Finland and Sweden helped boost EU-27 production 1.2 million tons to 8.9 million. Canada produced its largest oat crop in 31 years, mostly due to increased area due to attractive prices. Average yields were slightly better than the previous year, but well below record levels. Production increased 22 percent to 4.7 million tons. Russia's oat production is estimated up 0.5 million tons to 5.4 million mostly, due to increased yields.

Rye: Foreign rye production rebounded in 2007/08, increasing nearly 2 million tons to 14 million. Even though rye is no longer supported by government intervention, EU-27 rye area increased, boosting production 1 million tons to 7.6 million. Rye area and yield also increased in the FSU, expanding production 1 million tons to 5.8 million.

Millet: Forecast global millet production increased 1 million tons in 2007/08, as increased production in India more than offset a small decline in Sub-Saharan Africa. Projected world mixed-grain production (mostly triticale) increased 1.8 million tons to 14.8 million due to increased yields in the EU-27, especially Poland.

2007/08 Global Coarse Grain Beginning Stocks Down 17 Percent

Global coarse grain beginning stocks in 2007/08 are estimated at 138 million tons, down 28 million from the previous year, with much of the drop occurring in the United States. Foreign coarse grain beginning stocks are estimated down 10 million tons to 102 million. The largest declines are for the EU-27, China, Canada, and Australia.

Corn stocks are 79 percent of estimated global coarse grain stocks, and corn stocks in China and the United States account for 48 percent of estimated global coarse grain beginning stocks for 2007/08. China has been reducing expensive-to-maintain government stocks for the last 8 years. U.S. coarse grain stocks at the start of 2007/08 were down 19 million tons from 2006/07, but accounted for 26 percent of the world total.

Coarse grain 2007/08 beginning stocks for the rest of the world (world minus China and the United States) are estimated at 69 million tons, down 7 million from a year earlier. EU-27 coarse grain beginning stocks were 17.9 million tons, the lowest since 2004/05. Canada's coarse grain beginning stocks were also relatively tight at 3.5 million tons.

Forecast foreign coarse grain production increased only 7 million tons in 2007/08, but beginning stocks dropped 10 million, leaving foreign supplies down year-to-year.

Despite High Prices, Record Foreign Coarse Grain Use Expected in 2007/08

World coarse grain consumption in 2007/08 is forecast up 60 million tons to a record 1,069 million tons, despite record high prices. Foreign coarse grain consumption is projected up 20 million tons, a growth of 3 percent. Foreign coarse grain feed use is forecast up 11 million tons to 493 million tons. Foreign wheat feed use is forecast down 7 million tons, with coarse grains replacing wheat in some animal rations in the EU-27. Projected growth in foreign combined wheat and coarse grain feed use is quite slow and in keeping with record high prices. Livestock sectors in some countries continue to adjust to outbreaks of animal diseases, especially avian influenza. Income growth has supported strong demand for meat, especially in countries such as China and India. Record high corn prices prevalent in most parts of the world during 2007/08 are supported by this demand.

The EU-27 is playing a crucial role in coarse grain use in 2007/08. After a second consecutive year of weather problems that reduced wheat and coarse grain production, the EU-27 has responded by eliminating import levies. The EU-27 is electing to import coarse grains, mostly corn and sorghum, to partly offset shortfalls in feed supplies. Coarse grain feed use is expected to increase 7 million tons to 115 million.

In China, economic growth remains robust, and demand for meat is growing, but animal diseases,--especially blue ear in hogs and highly pathenogenic avian influenza in poultry have limited the supply response. Coarse grain feed use is expected to grow 2 percent to 107 million tons in China. The very dramatic rise in soybean meal use may be moderating the increase in corn use, as feed rations become more balanced and efficient.

East Asia, excluding China (mostly Japan, South Korea, and Taiwan), is expected to have stagnant consumption of feed grains in 2007/08, declining about 1 percent. In South Korea, coarse grain use is expected to increase slightly because of reduced imports of feed-quality wheat. A small reduction in coarse grain use is expected in Japan as domestic meat production declines while meat imports increase.

Southeast Asia is expected to increase coarse grain use 1 million tons to 28 million as poultry production and consumption have adjusted to chronic problems with avian influenza and are again expanding.

India's coarse grain consumption in 2007/08 is forecast up 9 percent to 35 million tons. Food, seed, and industrial use of coarse grains is expected to account for all the growth due to increased production and the high prices of wheat and rice. Feed and residual use, mostly of corn for poultry, is expected flat at 8.5 million tons as high prices for exports bid supplies away from domestic feed users.

Consumption of coarse grain in the FSU-12 is expected to decline nearly 2 percent to 50 million tons in 2007/08 as reduced production in Ukraine leads to decreases for both feed and other uses, more than offsetting increases in some other countries.

In the Middle East, coarse grain use in 2007/08 is expected to increase nearly 1 percent to 38 million tons. Slow growth in use is expected in Saudi Arabia and Iraq, but tight barley supplies are expected to limit use in Iran and Turkey. Israel is expected to reduce wheat feed use and increase coarse grains.

In North Africa, coarse grain consumption in 2007/08 is expected to decline 3 percent to 21 million tons due to reduced barley production in Morocco and because of ongoing adjustments due to avian influenza in Egypt.

Coarse grain consumption in Sub-Saharan Africa is forecast up 1 percent to 92 million in 2007/08. Sharply increased corn production and use in South Africa is more than offsetting tightening supplies in other parts of the region. High prices for wheat and rice are expected to encourage coarse grain food use.

Coarse grain consumption in Latin America (excluding Mexico) is expected to increase 3 million tons to 83 million in 2007/08. Modest growth is expected throughout the region, with Brazil accounting for more than half the increase.

In Mexico, coarse grain consumption in 2006/07 is forecast up 1 million tons to 41 million tons. U.S. shipments of cracked/kibbled corn, which reached 2.8 million tons in 2006/07, dropped to a very low level beginning in January 2008 when corn import restrictions ended. The corn cracked/kibbled for export to Mexico was accounted for in U.S. domestic corn disappearance, so a shift to importing corn instead of kibbled/cracked corn should reduce U.S. consumption and increase use in Mexico, offsetting amounts. The increase in Mexico's projected coarse grain use is not enough to compensate for the shift away from kibbled/cracked corn, indicating a small decline in consumption if kibbled/cracked corn were included.

In Canada, coarse grain consumption is expected to be nearly unchanged at 25 million tons. The high price of grains, along with the strong exchange rate relative to the U.S. Dollar, is squeezing margins for meat producers.

A second year of drought limited wheat and barley production in Australia, but good rain is producing a record sorghum crop. Australia's coarse grain use is projected to expand 15 percent to 7 million tons.

Global Coarse Grain Ending Stocks in 2007/08 To Be the Lowest in Over three Decades

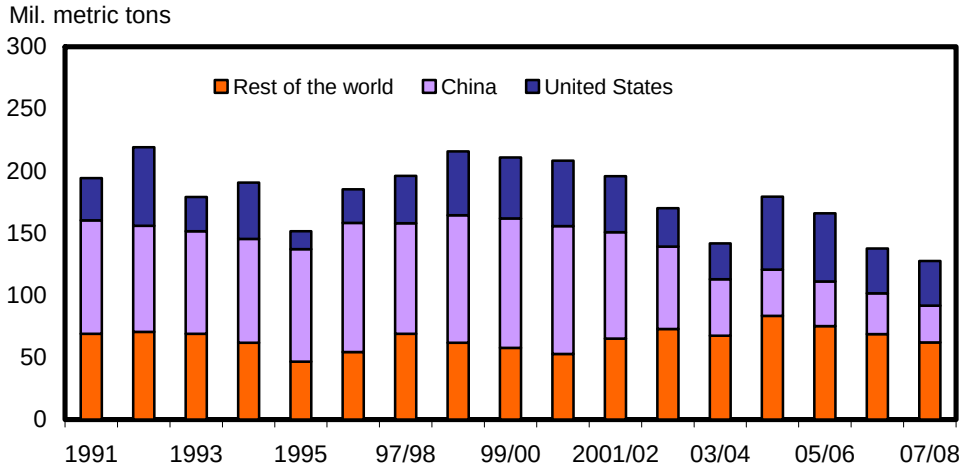
World coarse grain ending stocks are projected to drop 10 million tons in 2007/08 to 128 million. With U.S. stocks declining only slightly, foreign coarse grain stocks are forecast down 10 million tons, to 92 million. EU-27 ending stocks are expected to drop 5 million tons to 13 million. EU Government intervention stocks are expected to be gone and coarse grain stocks are projected to be the lowest since 1983/84. China's coarse grain stocks (mostly corn) are forecast down 3 million tons to 30 million, and Saudi Arabia's stocks are projected down 1 million tons to 2 million. Many other countries are expected to reduce coarse grain stocks by lesser amounts. Brazil is an exception, with record corn production boosting projected ending stocks 2 million tons to 6 million.

Foreign corn stocks are expected to decline 5 million tons to 70 million by the end of 2007/08, with significant declines in the EU-27 (down 4 million tons) and China (down 3 million). However, corn ending stocks are projected to increase in Brazil and South Africa in 2007/08.

China has been reducing corn stocks for the last 8 years. China's corn supplies have become tight enough that China ended corn export subsidies and imposed export taxes to limit price increases in the domestic market. Reduced exports and firm corn prices in China are indicators that the long process of liquidating excess corn stocks may be mostly complete.

Figure 3

Coarse grain ending stocks



Sources: USDA, World Agricultural Outlook Board, *WASDE,* and USDA, Foreign Agricultural Service, *Production, Supply and Distribution (PS&D).*

World barley stocks are projected down 5 million tons to 16 million, with the largest declines in Saudi Arabia, the EU-27, Ukraine, Russia, Canada, Tunisia, and Turkey. World sorghum stocks are projected at 4 million tons, up slightly for 2007/08, as the increase in the United States is mostly offset by a drop in Sudan. Global oats stocks are expected to increase slightly to 3 million tons, with small increases in both Canada and the EU-27. Global rye ending stocks are projected nearly unchanged year-to-year at the historically low level of 1 million tons.

World Coarse Grain Trade Outlook

Despite High Prices, Record World Corn Trade and U.S. Exports in 2007/08

Record world corn trade is projected for 2007/08 as import demand remains strong despite high prices. U.S. corn exports for the October-September 2007/08 trade year are forecast at a record 63.0 million tons, up 16 percent from the previous year and 2 percent above the 1979/80 high. Competition from Argentina is forecast down due to a reduced corn crop and government intervention limiting export registrations. Brazil has emerged as a large corn exporter, but mostly to markets that do not purchase from the United States. Corn exports from Ukraine, South Africa, and China are expected to be relatively low.

Record Global Coarse Grain Trade Forecast Up 8 Percent in 2007/08

World coarse grain trade in 2006/07 is projected at 123 million tons, up 9 million tons from a year earlier. Global corn trade is forecast up 5 million tons to a record 96 million. Barley trade is projected up less than 1 million tons to 15 million as supplies are very tight in both the EU-27 and Australia. World sorghum trade is expected to be up 3 million tons to 9 million due to increased U.S. supplies and strong demand from the EU-27. World oat trade is expected to be little changed at 2 million tons. Global rye trade is expected to nearly disappear without EU-27 export subsidies. At 0.3 million tons, global rye trade is the lowest in the USDA data base going back to 1960.

The EU-27 has emerged in 2007/08 as the world's second-largest importer of coarse grains, following Japan. EU-27 imports are projected at 16.3 million tons, up 86 percent from 2006/07. Two years ago, EU-27 imports were less than 3 million tons, but after two consecutive poor harvests, grain prices in the EU-27 moved high enough that the Commission eliminated variable import levies, and coarse grain imports have been used to maintain meat production. The EU-27 has mostly bought corn from Brazil and sorghum from the United States and Argentina in order to avoid GMO-corn, but since the main GMO variety of corn grown in Argentina has gained EU-27 approval, it has turned to Argentina's corn as well. Most of the growth in world coarse grain imports in 2007/08 is due to EU-27 demand.

Japan is projected to import 19.2 million tons of coarse grains in 2006/07, down slightly from the previous year. Japan remains by far the world's largest importer. South Korea's coarse grain imports (mostly corn) are forecast up slightly to 8.9 million tons because of reduced competition with feed-quality wheat. Taiwan is expected to reduce coarse grain imports 2 percent to 4.45 million tons.

Coarse grain imports by Southeast Asia are projected down 6 percent to 4.1 million tons as Indonesia cuts corn imports nearly in half because of increased corn production. The drop in Indonesia more than offsets small increases in imports for Malaysia, Thailand, and Vietnam.

Coarse grain imports by the Middle East are projected nearly unchanged at 18.1 million tons. Israel's coarse grain imports are forecast up 0.4 million tons to 2.1 million due to lower imports of wheat for feed. For Saudi Arabia, the increase in projected corn imports is larger than the decline in barley imports. However, declining imports by Iran and other countries in the region are offsetting.

North Africa's 2007/08 coarse grain imports are forecast down 5 percent to 11.0 million tons. Egypt is reducing corn imports sharply due to high prices and avian flu. The decline in Egypt more than offsets Morocco's expected increase in imports caused by reduced barley production. Coarse grain imports by Sub-Saharan Africa are expected to remain nearly unchanged at 2.2 million tons.

Mexico is expected to increase coarse grain imports 0.3 million tons to 11.3 million. As of January 2008, the cupo system that provided an incentive to ship cracked/kibbled corn from the United States to Mexico was abolished. As the cracked/kibbled corn is replaced by corn grain, imports will increase. The shift away from cracked and kibbled corn (2.8 million tons in 2006/07) is much larger than the forecast import increase, so the forecast implies a decline in imports of corn grain and products. Mexico's imports of sorghum are expected to decline because EU-27 purchases of U.S. sorghum have pushed prices higher relative to corn.

Latin American (excluding Mexico) imports of coarse grain are forecast down 3 percent to 14.8 million tons. Increased production in Brazil and Peru is reducing the need to import, and high prices may be contributing to slowing imports by the Dominican Republic.

Competition for U.S. Corn Exports Limited in 2007/08

Argentina will be the world's second largest corn exporter in 2007/08, despite a reduced crop and government restrictions on export registrations to limit domestic price increases. Promulgated changes to export taxes caused a producer's strike that disrupted shipments and forced some exporters to declare force majeure. Negotiations between the government and producers create ongoing uncertainty. Large corn exports are registered for prompt shipment, especially to the EU-27. Argentina's corn exports for the 2007/08 October-September trade year are forecast to reach 14.5 million tons, down 8 percent compared with a year earlier. Argentina's local marketing year corn exports are forecast down only 2 percent from the previous year's record of 15.3 million tons.

Brazil is expected to be the world's third largest corn exporter in 2007/08, with consecutive record harvests. Trade year 2007/08 corn exports are expected to be a record 10.5 million tons, up 30 percent from a year ago. The lead destination is the EU-27, which needs the corn promptly before its own harvest. A record soybean crop in Brazil will get priority access to port and transport facilities, possibly limiting and delaying corn exports. Although Brazil's corn exports are up sharply in 2007/08, they are mostly to markets that do not buy U.S. corn, and Brazil has reportedly received price premiums equivalent to $50 per ton for its non-GMO corn.

China's corn exports in 2007/08 are expected to plummet to less than a tenth their previous year's level, from 5.3 million tons to 0.5 million. The government suspended export rebates and imposed taxes, effectively stopping most exports in order to limit domestic price increases.

Ukraine is expected to increase corn exports to 1.5 million tons despite a second year of below-trend yields. Though corn exports through much of the year have been limited by a small quota, an expanded quota has been announced for shipments in coming months as prospects for the summer harvest appear good.

South Africa is expected to increase corn exports 1.1 million tons to 1.5 million due to prospects for a large crop in 2008. Attractive world prices have encouraged increased corn exports by India in 2007/08, up 56 percent to 0.7 million tons.

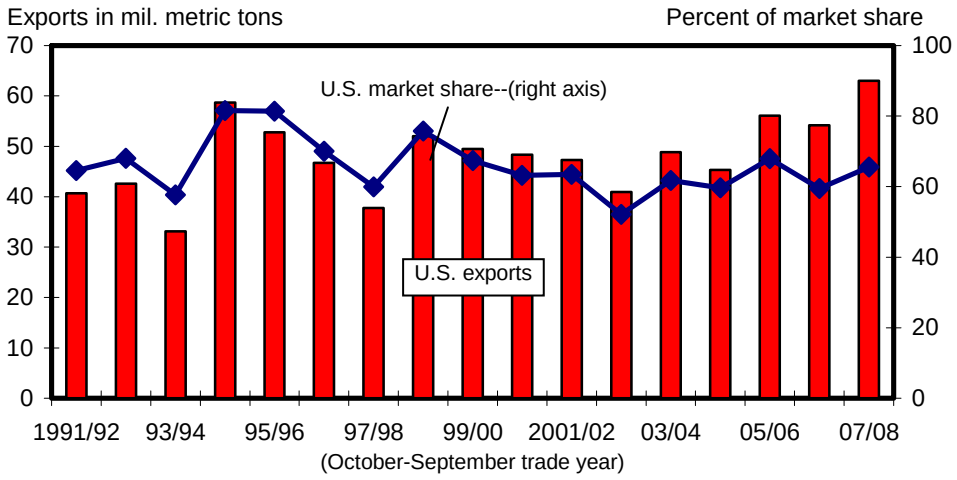
Record U.S. Corn Exports Projected for 2007/08

U.S. October-September 2007/08 corn exports are forecast at a record 63.0 million tons, up 16 percent from a year earlier. Corn exports in 2007/08 started strong and are expected to moderate late in the year as competition from South America heats up. The U.S. share of world corn trade in 2007/08 is forecast at 66 percent, up from 60 percent the previous year. Shipments during the first months of 2007/08 are ahead of the previous year's pace, and outstanding sales are up significantly.

According to the Bureau of Census, exports of corn during the first 5 months of the trade year (October 2007-February 2008) totaled 28.5 million tons, up from 22.9 million a year ago. Grain Inspections export data for March 2008 were 5.4 million

Figure 4

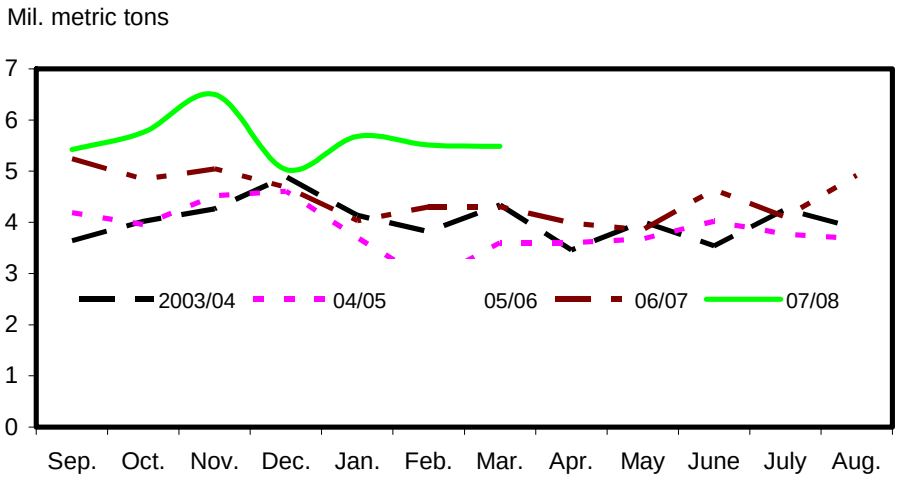
U.S. corn exports and market share



Sources: USDA, Foreign Agricultural Service, *Production, Supply and Distribution (PS&D),* and USDA, Economic Research Service, *Feed Grains Database.*

Figure 5

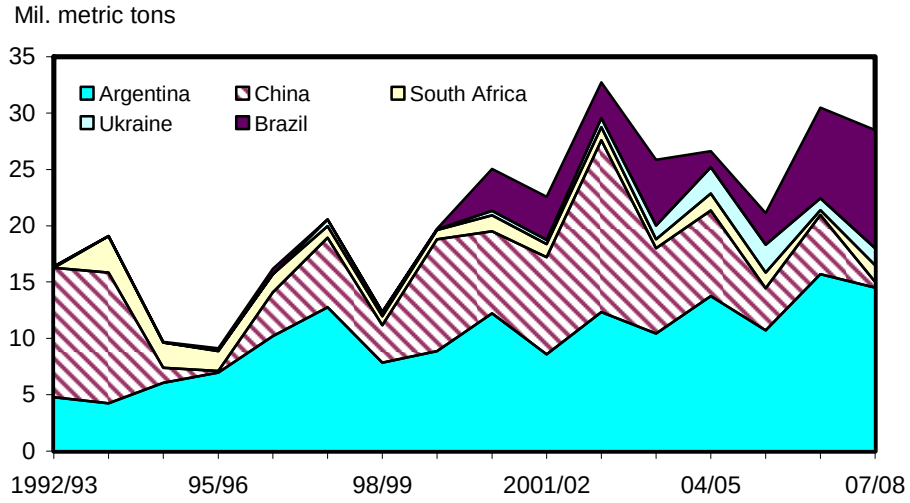
Monthly U.S. corn exports



Sources: USDC, Bureau of the Census, at http://www.usatradeonline.gov/

Figure 6

Corn exports for major competitors



Source: USDA, Foreign Agricultural Service, *Production, Supply and Distribution (PS&D).*

tons, up from 4.3 million a year earlier. Corn shipments for the first half of the 2007/08 trade year are up nearly 7 million tons. U.S. Export Sales, as of April 3, 2008, reports outstanding export sales of 15.1 million tons, up 4.8 million tons from a year ago.

The most important increase in commitments (shipments plus outstanding sales) is to South Korea, up 5.7 million tons to 8.2 million. South Korea has turned to the United States for corn because Chinese corn is not available.

Other markets with smaller, but significant, increases in corn commitments as of early April 2008 include Canada, Iran, Saudi Arabia, Algeria, Israel, Venezuela, and Turkey. The largest market, Japan, has outstanding sales that are up significantly, but shipments nearly the same as a year ago. It is likely that the increased outstanding sales are the result of buying further ahead for deferred delivery, and future shipments are more likely to reflect a steady pace than to reflect the increased outstanding sales. The pattern for Taiwan is the same as for Japan, but smaller.

U.S. Sorghum Exports Forecast Up 57 Percent in 2007/08

U.S. sorghum exports in 2007/08 are forecast at 7.0 million tons, up 2.5 million from the previous year. The EU-27 has emerged as the dominant purchaser of U.S. sorghum, paying enough to bid it away from the traditional markets of Mexico and Japan. Within the EU-27, more than half the U.S. sorghum shipments have been to Spain. U.S. export commitments at the beginning of April 2008 to the EU-27 were 3.9 million tons, up from 0.4 million a year earlier. Moreover, most-if-not all-of 0.7 million tons of outstanding sales to "unknown" destinations are thought to be sales to the EU-27. Commitments to Mexico are down 62 percent to 0.5 million tons, and Japan is down 34 percent to 0.5 million.

Global sorghum trade is expected to increase 52 percent to 8.9 million tons in 2007/08. EU-27 imports are projected to triple to 4.5 million tons in 2007/08 as a result of the variable import levy of zero and strong demand for non-GMO grain favored sorghum. Mexico and Japan will remain significant sorghum importers in 2007/08. Mexico is expected to reduce sorghum imports 0.4 million tons to 1.5 million, the lowest in 20 years. Without the cupo system limiting corn imports, there is little reason for Mexico to pay a premium for sorghum. Japan's sorghum imports are projected up slightly to 1.35 million tons in 2007/08, with an increase in shipments from Australia offsetting reductions from the United States. The United States is expected to remain the dominant exporter, accounting for 79 percent of world sorghum trade. However, attractive sorghum prices are expected to boost exports from Argentina, Australia, and Brazil.

World barley trade is forecast up 4 percent to 15 million tons in 2007/08 (October-September trade year). The EU-27 is expected to be the world's largest barley exporter, as supplies from Australia and Ukraine are even tighter than for the EU-27. EU-27 2007/08 barley exports are projected down 4 percent to 4.2 million tons.

Australia's barley production in 2007 was not damaged by drought quite as much as the previous year, allowing a modest increase in exports to 2.3 million tons.

Ukraine's restrictive export quotas are expected to be expanded enough to export 2.0 million tons during the October-September 2007/08 trade year, down from 2.9 million a year earlier. Tight barley supplies in Russia are expected to limit exports to 1.0 million tons, down from 1.7 million a year ago. With attractive prices, Canada and Kazakhstan are expected to increase barley exports significantly. Saudi Arabia, Japan, and China are projected to remain the dominant importers of barley, with fairly stable imports.

U.S. barley exports for October-September 2007/08 are forecast up 89 percent to 1.0 million tons. Sales to Japan and Saudi Arabia are up significantly. U.S. barley imports are forecast up 27 percent to 0.45 million, the highest in 4 years, as U.S. brewers depend increasingly on Canadian barley.

Global oat trade is forecast up 10 percent to 2.4 million tons in 2007/08. U.S. imports and Canada's exports dominate global oats trade and are growing. EU-25 exports are projected to remain relatively small at 0.2 million tons as excess supplies are limited. World rye trade, projected at 0.3 million tons in 2007/08, has nearly vanished.

List of Figures

Appendix Tables

The appendix tables are now available online at http://www.ers.usda.gov/data/feedgrains/FeedYearbook.aspx. They will be updated monthly as new data are added to the Feed Grains Data Base, http://www.ers.usda.gov/data/feedgrains/.

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